

AMENDED IN SENATE MARCH 22, 2011

SENATE BILL

No. 143

Introduced by Senator Rubio

January 31, 2011

~~An act to amend Section 439.902 of the Health and Safety Code, relating to public health. An act to add the heading to Chapter 1 (commencing with Section 38570) to, and to add Chapter 2 (commencing with Section 38575) to, Part 5 of Division 25.5 of the Health and Safety Code, relating to air pollution.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 143, as amended, Rubio. ~~Health research: women and minority groups. California Global Warming Solutions Act of 2006: greenhouse gas emission reduction offsets: programs and incentives.~~

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The state board is authorized to adopt market-based compliance mechanisms, as defined, meeting specified requirements to be used for compliance with those regulations.

This bill would require the state board, on or before July 1, 2012, to adopt methodologies for determining the quantity of greenhouse gas emissions reduced through specified greenhouse gas emission reduction programs. The bill would require the state board to adopt regulations

governing the creation of greenhouse gas emission reduction offsets based on investments in those programs for purposes of banking, trading, and using the offsets to comply with the market-based compliance mechanism adopted by the board. The bill would also authorize the state board to use revenues from an auction or other sale of greenhouse gas allowances, upon appropriation by the Legislature, to establish and provide incentives for private investment in specified greenhouse gas emission reduction programs, in accordance with requirements prescribed by the bill.

~~Existing law requires, on or before June 30, 1992, state agencies to adopt, and provides that it is the intent of the Legislature that the Regents of the University of California adopt, policies based on a specified publication so that women and members of minority groups are appropriately included as subjects of health research projects carried out by state agencies or University of California researchers. Existing law requires, on or before September 30, 1992, state agencies and the University of California to transmit to the Legislature copies of the policies adopted pursuant to this provision.~~

~~This bill would make technical, nonsubstantive changes to this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The heading of Chapter 1 (commencing with*
2 *Section 38570) is added to Part 5 of Division 25.5 of the Health*
3 *and Safety Code, to read:*

4
5 *CHAPTER 1. GENERAL PROVISIONS*

6
7 *SEC. 2. Chapter 2 (commencing with Section 38575) is added*
8 *to Part 5 of Division 25.5 of the Health and Safety Code, to read:*

9
10 *CHAPTER 2. INCENTIVES FOR CALIFORNIA GREENHOUSE GAS*
11 *EMISSION OFFSETS*

12
13 *38575. The Legislature finds and declares all of the following:*

14 *(a) This division provides for the adoption of rules and*
15 *regulations to achieve the maximum technologically feasible and*

1 *cost-effective greenhouse gas emission reductions to achieve the*
2 *state's greenhouse gas emission reduction goals, and authorizes*
3 *the state board to provide for the use of market-based compliance*
4 *mechanisms to meet the requirements of this division.*

5 *(b) This division directs the state board to ensure that the*
6 *greenhouse gas emission reduction rules, regulations, programs,*
7 *mechanisms, and incentives under its jurisdiction, to the extent*
8 *feasible, direct public and private investment toward the most*
9 *disadvantaged communities in California.*

10 *(c) The state board has adopted a regulation to establish a*
11 *cap-and-trade market-based mechanism designed to achieve the*
12 *statewide greenhouse gas emission reductions required by this*
13 *division.*

14 *(d) The creation, banking, trading, and use of greenhouse gas*
15 *emission offsets can help regulated entities further reduce the cost*
16 *to comply with their cap-and-trade compliance obligations.*

17 *(e) The establishment of incentives for the reduction of*
18 *greenhouse gas emissions in California in order to create*
19 *greenhouse gas emission offsets can improve the cost-effectiveness*
20 *of compliance with this division, while helping support the state's*
21 *economy, providing green jobs, encouraging investment in local*
22 *communities, and reducing the state's energy consumption.*

23 *38576. (a) On or before July 1, 2012, and in accordance with*
24 *Section 38571, the state board shall adopt methodologies for*
25 *determining the quantity of greenhouse gas emission reductions*
26 *resulting from implementation of all of the following programs:*

27 *(1) Voluntary energy efficiency programs.*

28 *(2) Distributed electricity generation programs, including the*
29 *California Solar Initiative.*

30 *(3) Programs adopted and implemented by the Public Utilities*
31 *Commission and the State Energy Resources Conservation and*
32 *Development Commission that may reduce greenhouse gas*
33 *emissions in the state.*

34 *(b) Each methodology adopted pursuant to subdivision (a) shall*
35 *include a determination of the cost-effectiveness of the program*
36 *for which the methodology is adopted, specified in dollars per ton*
37 *of greenhouse gas emissions reduced. The state board shall update*
38 *the cost-effectiveness determinations from time to time, upon*
39 *determining that an update is needed.*

1 38577. (a) (1) Commencing on July 1, 2012, for purposes of
2 complying with the market-based compliance mechanism adopted
3 by the state board pursuant to Section 38570, a person may invest
4 in a program for which an emission reduction methodology has
5 been adopted by the state board pursuant to subdivision (a) of
6 Section 38576.

7 (2) For purposes of this subdivision, the state board shall adopt
8 regulations creating greenhouse gas emission reduction offsets
9 that may be banked, traded, or used for compliance with the
10 market-based compliance mechanism adopted by the state board
11 pursuant to Section 38570.

12 (b) A person who invests in a program pursuant to subdivision
13 (a) shall be credited by the state board with a quantity of
14 greenhouse gas emission offsets that shall be determined by
15 multiplying the dollar amount of the investment by the current
16 cost-effectiveness of that program, as determined by the state board
17 pursuant to subdivision (b) of Section 38576.

18 (c) (1) Upon appropriation by the Legislature, and after
19 consultation with the Public Utilities Commission and the State
20 Energy Resources Conservation and Development Commission,
21 the state board may use revenues from any auction or other sale
22 of greenhouse gas allowances to establish and provide an incentive
23 for private investment in any program for which a methodology
24 is adopted pursuant to subdivision (a) of Section 38576.

25 (2) For any program specified in subdivision (a) of Section
26 38576, the state board may specify that an incentive will be
27 provided in accordance with paragraph (1) for each private
28 investment in that program pursuant to subdivision (a), not to
29 exceed 40 percent of the amount of the investment. The quantity
30 of greenhouse gas emission offsets attributable to the incentive
31 shall be calculated in accordance with subdivision (b), and shall
32 be credited to the person investing in the program pursuant to
33 subdivision (a).

34 (3) The state board, after public hearing, may determine that
35 incentives made under this subdivision shall be available only for
36 private investments to be used in implementing programs in specific
37 communities or geographic areas as may be determined by the
38 state board.

39 (d) The state board shall adopt regulations for the
40 implementation of this section by July 1, 2012.

1 38578. *The state board shall adopt methodologies pursuant to*
2 *subdivision (a) of Section 38576 and regulations pursuant to*
3 *Section 38577 as emergency regulations in accordance with*
4 *Chapter 3.5 (commencing with Section 11340) of Part 1 of Division*
5 *3 of Title 2 of the Government Code.*

6 ~~SECTION 1. Section 439.902 of the Health and Safety Code~~
7 ~~is amended to read:~~

8 ~~439.902. (a) On or before June 30, 1992, state agencies shall~~
9 ~~adopt, and it is the intent of the Legislature that the Regents of the~~
10 ~~University of California adopt, policies based on the publication~~
11 ~~“NIH/ADHMA Policy Concerning Inclusion of Women in Study~~
12 ~~Populations,” so that women and members of minority groups are~~
13 ~~appropriately included as participants in health research projects~~
14 ~~conducted by state agencies or University of California researchers.~~
15 ~~The review of research proposals funded by state agencies or the~~
16 ~~University of California should include consideration of the~~
17 ~~appropriateness of the composition of research populations.~~

18 ~~(b) On or before September 30, 1992, state agencies and the~~
19 ~~University of California shall transmit to the Legislature copies of~~
20 ~~the policies adopted pursuant to this section, along with copies of~~
21 ~~the specific procedures put in place to carry out those policies.~~